

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 OMB-01 HA-05 /082 W
-----087771 142056Z /21

R 141201Z AUG 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 3383
INFO AMCONSUL BOMBAY
"AMCONSUL CALCUTTA 2025
AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
AMEMBASSY KATHMANDU
AMCONSUL MADRAS
AMEMBASSY MOSCOW
QHQA/CINCPAC

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CINCPAC FOR POLAD

E.O. 11652: NA
TAGS: PINT, IN
SUBJECT: CONGRESS(I) RETREATS FROM PRESSING RESOLUTION ON CORRUPTION

REF: NEW DELHI 12299

1. THE CONGRESS(I) ON AUGUST 12 RETREATED FROM PRESSING
ITS RESOLUTION IN THE LOK SABHA CALLING UPON THE GOVERN-
MENT TO CREATE COMMISSIONS OF INQUIRY INTO ALLEGATIONS
OF CORRUPTION CONCERNING KANTIBHAI DESAI AND OTHER ANATA
FIGURES. CONGRESS(I) VASANT SATHE TOLD THE LOK SABHA
THAT HE WAS WITHDRAWING HIS RESOLUTION OSTENSIBLY FOR
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THE REASON THAT THE RAJYA SABHA HAD ALREADY APPROVED
SUCH A RESOLUTION, THUS RENDERING HIS MOTION IN THE
LOWER HOUSE UNNECESSARY. HIS ACTION SPARKED ANGRY
SHOUTS FROM THE JANATA BENCHES DEMANDING THAT THE MOTION
SHOULD BE DEBATED ANYWAY. AT ONE POINT DURING THE
SUBSEQUENT CHAOS, AGITATED CONGRESS(I) MP'S LEFT THEIR
SEATS AND SURROUNDED THE SPEAKER'S PODIUM SHOUTING

THREATS AT THE SPEAKER AND THE JANATA BENCHES. AFTER 90 MINUTES OF TURMOIL, THE LOK SABHA WAS FINALLY ADJOURNED.

2. SPECULATION THAT THE CONGRESS (I) MIGHT WITHDRAW THE RESOLUTION AROSE LATE ON AUGUST 11, AFTER A FULL MEETING OF ALL JANATA MP'S OVERWHELMINGLY ENDORSED THE WHIP OBLIGING THEM TO VOTE AGAINST THE RESOLUTION. CONGRESS (I) WAS CLEARLY HOPING TO ATTRACT ENOUGH PRO-CHARAN SIGNH JANATA MP'S TO ITS SIDE FOR THE VOTE TO DEMONSTRATE DISARRAY WITHIN THE RULING PARTY, BUT WITH THE WHIP HOLDING, THE CONGRESS (I) RETREATED FROM THIS STRATEGY. THE WITHDRAWAL OF THE LOK SABHA RESOLUTION TENDS TO CONFIRM OUR VIEW THAT THE CONGRESS(I) IS NOT SO MUCH INTERESTED IN ANY ACTUAL INVESTIGATION INTO THE KANTIBHAI AFFAIR AS IN KEEPING THE ISSUE ALIVE POLITICALLY FOR AS LONG AS POSSIBLE. (THE CONGRESS(I) IS HARDLY IN A POSITION TO PRESS CONVINCINGLY FOR INQUIRY COMMISSIONS, SINCE THIS WOULD TEND TO LEGITIMIZE THE SHAH AND OTHER COMMISSIONS WHICH ARE PROBING INTO MRS. GANDHI'S AFFAIRS.) MRS. GANDHI'S CONGRESS ACHIEVED A MAJOR GOLA WHEN THE RAJYA SABHA (WHERE JANATA IS IN A MINORITY POSITION) APPROVED THE RESOLUTION ON AUGUST 10 CALING FOR EITHER THE CREATION OF A 15-MEMBER COMMITTEE OF THE HOUSE TO LOOK INTO THE ALLEGATIONS OR THE APPOINTMENT OF A COMMISSION OF INQUIRY. THE CONGRESS (I) DID NOT WANT LIMITED OFFICIAL USE

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TO DILUTE ITS SUCCESS IN THE RAJYA SABHA BY HAVING ITS RESOLUTION CRUSHED IN THE LOK SABHA BY A UNIFIED JANATA. WE EXPECT THAT CONGRESS (I) WILL CONTINUE TO CAPITALIZE ON THE CORRUPTION ISSUE FOR ALL IT IS WORTH IN ORDER TO EMBARRASS THE GOVERNMENT AND THE PRIME MINISTER. IN THE RAJYA SABHA, THEY'LL PUSH FOR IMPLEMENTATION OF THEIR RESOLUTION. IN THE LOK SABHA THEY'LL PROBABLY REVIEVE THEIR NOISY DEMANDS FOR THE TABLING OF THE MORARJI DESAI/CHARAN SINGH CORRESPONDENCE ON THE CORRUPTION ISSUE.

4. THE CPI AND THE OFFICIAL CONGRESS HAVE BEEN PLAYING A CAREFUL GAME IN THIS JANATA/CONGRESS (I) CONFRONTATION. ALTHOUGH BOTH ULTIMATELY VOTED WITH THE CONGRESS (I) IN THE AUGUST 10 RAJYA SABHA VOTE, IT IS APPARENT THAT NEITHER THE CPI NOR THE CONGRESS WANTS TO BE TOTALLY IDENTIFIED WITH MRS. GANDHI'S PARTY ON THIS ISSUE. A SENIOR JANATA LEADER HINTED TO US THAT CPI LEADER BHUPESH GUPTA'S AMENDMENT TO THE CONGRESS (I) RESOLUTION (OFFERING THE ALTERNATIVE OF THE 15-MEMBER COMMITTEE) MAY HAVE BEEN "INSPIRED" BY THE JANATA ITSELF AS A WAY OF WATERING DOWN THE RESOLUTION.

5. A RESULT OF THE EVENTS OF THE LAST FEW DAYS HAS BEEN THAT JANATA PARTY DISCIPLINE WAS MAINTAINED IN THE END DESPITE THREATS FROM PRO-CHARAN SINGH MP'S TO DEFEY THE WHIP. AS FAR AS WE CAN DETERMINED, THERE WAS NO DEFIANCE OF THE PARTY WHIP IN THE RAJYA SABHA VOTE ALTHOUGH A HALF DOZEN CHARAN SINGH SUPPORTERS WERE ABSENT). THE SECRETARY OF THE PARLIAMENTARY PARTY CONTENTED THAT THERE WOULD HAVE BEEN NO DEFIANCE IN THE LOK SABHA EITHER IF SATHE'S RESOLUTION HAD COME TO A VOTE. NONETHELESS, SEVERAL HARD-LINERS IN CHARAN SINGH'S CAMP, LED BY FORMER HEALTH MINISTER RAJ NARAIN, REMAIN UNRECONCILED TO THE PM. FOLLOWING THE AUGUST 11 MEETING OF THE JANATA MP'S, RAJ NARAIN SEEMS TO BE MORE ISOLATED THAN BEFORE LIMITED OFFICIAL USE

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AND HAS PUBLICLY STATED THAT HE WILL CONTINUE TO PRESS ON THE CORRUPTION ISSUE. ON THE OTHER HAND, CHARAN SINGH HIMSELF HAS BEEN SILENT IN RECENT DAYS, LEADING TO SPECULATION THAT RAJ NARAIN IS ACTING ON HIS OWN AND THAT CHARAN SINGH MAY BE MORE AMENABLE TO A RAPPROCHMENT WITH MORARJI. IT IS, OF COURSE, ALSO POSSIBLE THAT RAJ NARAIN IS SIMPLY ACTING AS CHARAN SINGH'S STALKING HORSE. IN ANY EVENT, THE FORMER HEALTH MINISTER SEEMS DETERMINED TO CONTINUE HIS FIGHT WITH THE PM AND HAS VOWED TO MAKE A STATEMENT IN PARLIAMENT ON AUGUST 17 GIVING HIS SIDE OF THE STORY OF HIS DISMISSAL FROM THE CABINET.

6. A SENIOR JANATA LEADER CLOSE TO MORARJI TELLS US THAT THE PRIME MINISTER WOULD BE WILLING TO APPOINT A DISTINGUISHED JURIST TO INVESTIGATE IMPARTIALLY AND QUITLY INTO THE ALLEGATIONS CONCERNING KANTIBHAI DESAI AND OTHERS. HOWEVER, MORARJI WILL NOT DO SO UNTIL THE FUROR HAS DIED DOWN, SINCE HE IS DETERMINED NOT TO APPEAR TO BE SUBMITTING TO PRESSURE FROM THE OPPOSITION. THE MAJOR CATCH, HOWEVER, IS THAT THE CONGRESS (I) LEADERSHIP AND THE DISSIDENTS WITHIN THE JANATA ITSELF ARE AWARE OF AND ARE BANKING ON THE PM'S ADAMANT STANCE TO KEEP THIS ISSUE FRONT AND CENTER STAGE FOR AS LONG AS POSSIBLE.

7. THE GREAT IRONY IN ALL THIS FUROR OVER ALLEGATIONS OF CORRUPTION AGAINST THE PRIME MINISTER'S SON IS THAT THE SHAH COMMISSION'S FINDINGS AGAINST MRS. GANDHI AND SANJAY HAVE QUIETLY RECEDED INTO THE BACKGROUND -- FOR THE TIME BEING, AT LEAST. GOHEEN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, CENTRAL LEGISLATURE, INVESTIGATIONS, ALLEGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE12362
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780332-0462
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780867/aaaaceho.tel
Line Count: 167
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: b9f00d64-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 NEW DELHI 12299
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1749236
Secure: OPEN
Status: NATIVE
Subject: CONGRESS(I) RETREATS FROM PRESSING RESOLUTION ON CORRUPTION
TAGS: PINT, PGOV, IN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/b9f00d64-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014